

MCD EUROPE FRANCHISING S.À R.L.

Société à responsabilité limitée

(ci-après la "Société")

Siège social : 412F, route d'Esch

L- 2086 Luxembourg

Capital social : USD 792.815.-

R.C.S. Luxembourg : B 22.841

La Société a été constituée suivant acte reçu par Maître Franck Baden, notaire de résidence à Luxembourg, en date du 9 mai 1985, publié au Mémorial C, Recueil des Sociétés et Associations n° 175 de 1985.

Les comptes annuels de la Société au 31 décembre 2011 ont été déposés au Registre de Commerce et des Sociétés de Luxembourg.



MCD EUROPE FRANCHISING S.À R.L.

Pour mention aux fins de publication au Mémorial C, Recueil des Sociétés et Associations au Luxembourg.

BALANCE SHEET**Financial year from** ⁰¹ 01/01/2011 **to** ⁰² 31/12/2011 (in ⁰³ USD)

McD Europe Franchising S.à r.l.

412F, route d'Esch
L-2086 Luxembourg**ASSETS****Financial year****Previous financial year****A. Subscribed capital unpaid**

- I. Subscribed capital not called
- II. Subscribed capital called but not paid

B. Formation expenses**C. Fixed assets**

- I. Intangible assets
 - 1. Costs of research and development
 - 2. Concessions, patents, licences, trade marks and similar rights and assets, if they were
 - a) acquired for valuable consideration and need not be shown under C.I.3
 - b) created by the undertaking itself
 - 3. Goodwill, to the extent that it was acquired for valuable consideration
 - 4. Payments on account and intangible fixed assets under development
- II. Tangible assets
 - 1. Land and buildings
 - 2. Plant and machinery
 - 3. Other fixtures and fittings, tools and equipment
 - 4. Payments on account and tangible assets in course of construction
- III. Financial assets
 - 1. Shares in affiliated undertakings
 - 2. Loans to affiliated undertakings
 - 3. Shares in undertakings with which the company is linked by virtue of participating interests
 - 4. Loans to undertakings with which the company is linked by virtue of participating interests
 - 5. Investments held as fixed assets
 - 6. Loans and claims held as fixed assets
 - 7. Own shares or own corporate units

101		102	
103		104	
105		106	
107		108	
109	392.364.533,02	110	508.879.757,90
111	243.736.533,33	112	360.730.069,00
113		114	
115	243.736.533,33	116	360.730.069,00
117	243.736.533,33	118	360.730.069,00
119		120	
121		122	
123		124	
125	10.640.999,69	126	10.093.928,90
127	10.378.000,99	128	9.696.264,25
129		130	
131	262.998,70	132	397.664,65
133		134	
135	137.987.000,00	136	138.055.760,00
137	137.987.000,00	138	138.055.760,00
139		140	
141		142	
143		144	
145		146	
147		148	
149		150	

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	Financial year	Previous financial year
D. Current assets		
I. Stocks	151 <u>415.755.105,89</u>	152 <u>245.957.017,06</u>
1. Raw materials and consumables	153 _____	154 _____
2. Work and contracts in progress	155 _____	156 _____
3. Finished goods and goods for resale	157 _____	158 _____
4. Payments on account	159 _____	160 _____
II. Debtors	161 _____	162 _____
1. Trade debtors	163 <u>144.800.301,43</u>	164 <u>121.521.743,25</u>
a) becoming due and payable after less than one year	165 <u>1.350.777,74</u>	166 <u>949.374,23</u>
b) becoming due and payable after more than one year	167 <u>1.350.777,74</u>	168 <u>949.374,23</u>
2. Amounts owed by affiliated undertakings	169 _____	170 _____
a) becoming due and payable after less than one year	171 <u>142.821.193,84</u>	172 <u>120.018.799,95</u>
b) becoming due and payable after more than one year	173 <u>142.821.193,84</u>	174 <u>120.018.799,95</u>
3. Amounts owed by undertakings with which the company is linked by virtue of participating interests	175 _____	176 _____
a) becoming due and payable after less than one year	177 _____	178 _____
b) becoming due and payable after more than one year	179 _____	180 _____
4. Other debtors	181 _____	182 _____
a) becoming due and payable after less than one year	183 <u>628.329,85</u>	184 <u>553.569,07</u>
b) becoming due and payable after more than one year	185 _____	186 _____
III. Investments	187 <u>628.329,85</u>	188 <u>553.569,07</u>
1. Shares in affiliated undertakings and in undertakings with which the company is linked by virtue of participating interests	189 _____	190 _____
2. Own shares or own corporate units	191 _____	192 _____
3. Other investments	193 _____	194 _____
IV. Cash at bank and in hand	195 _____	196 _____
	197 <u>270.954.804,46</u>	198 <u>124.435.273,81</u>
E. Prepayments	199 <u>209.080,64</u>	200 <u>169.975,66</u>
TOTAL (ASSETS)	201 <u>808.328.719,55</u>	202 <u>755.006.750,62</u>

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LIABILITIES

	Financial year	Previous financial year
A. Capital and reserves		
I. Subscribed capital	301 258.147.387,91	302 83.205.957,21
II. Share premium and similar premiums	303 792.815,00	304 792.815,00
III. Revaluation reserves	305 0,55	306 0,55
IV. Reserves		
1. Legal reserve	307	308
2. Reserve for own shares	309 118.151,20	310 118.151,20
3. Reserves provided for by the articles of association	311 79.281,56	312 79.281,56
4. Other reserves	313	314
V. Profit or loss brought forward	315	316
VI. Result for the financial year	317 38.869,64	318 38.869,64
VII. Interim dividends	319 82.294.990,46	320 27.675.834,09
VIII. Investment subsidies	321 174.941.430,70	322 54.619.156,37
IX. Immunised appreciation	323	324
	325	326
	327	328
B. Subordinated creditors	329	330
C. Provisions		
1. Provisions for pensions and similar obligations	331	332
2. Provisions for taxation	333	334
3. Other provisions	335	336
	337	338
D. Non subordinated debts		
1. Debenture loans	339 549.803.318,85	340 671.436.641,56
a) Convertible loans	341	342
i) becoming due and payable after less than one year	343	344
ii) becoming due and payable after more than one year	345	346
b) Non convertible loans	347	348
i) becoming due and payable after less than one year	349	350
ii) becoming due and payable after more than one year	351	352
2. Amounts owed to credit institutions	353	354
a) becoming due and payable after less than one year	355	356
b) becoming due and payable after more than one year	357	358
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	359	360
a) becoming due and payable after less than one year	361	362
b) becoming due and payable after more than one year	363	364
4. Trade creditors	365	366
a) becoming due and payable after less than one year	367 2.604.448,65	368 856.087,55
b) becoming due and payable after more than one year	369 2.604.448,65	370 856.087,55
	371	372

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Matricule : 1985 2402 728

	Financial year	Previous financial year
5. Bills of exchange payable	373 _____	374 _____
a) becoming due and payable after less than one year	375 _____	376 _____
b) becoming due and payable after more than one year	377 _____	378 _____
6. Amounts owed to affiliated undertakings	379 <u>540.262.345,89</u>	380 <u>662.522.904,85</u>
a) becoming due and payable after less than one year	381 <u>282.737.829,18</u>	382 <u>309.680.393,43</u>
b) becoming due and payable after more than one year	383 <u>257.524.516,71</u>	384 <u>352.842.511,42</u>
7. Amounts owed to undertakings with which the company is linked by virtue of participating interests	385 _____	386 _____
a) becoming due and payable after less than one year	387 _____	388 _____
b) becoming due and payable after more than one year	389 _____	390 _____
8. Tax and social security	391 <u>3.878.826,67</u>	392 <u>3.789.659,86</u>
a) Tax	393 <u>3.878.826,67</u>	394 <u>3.456.204,14</u>
b) Social security	395 _____	396 <u>333.455,72</u>
9. Other creditors	397 <u>3.057.697,64</u>	398 <u>4.267.989,30</u>
a) becoming due and payable after less than one year	399 <u>3.057.697,64</u>	400 <u>4.267.989,30</u>
b) becoming due and payable after more than one year	401 _____	402 _____
E. Deferred income	403 <u>378.012,79</u>	404 <u>364.151,85</u>
TOTAL (LIABILITIES)	405 <u>808.328.719,55</u>	406 <u>755.006.750,62</u>

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Matricule : 1985 2402 728

PROFIT AND LOSS ACCOUNT**Financial year from** ⁰¹ 01/01/2011 **to** ⁰² 31/12/2011 (in ⁰³ USD)

McD Europe Franchising S.à r.l.

412F, route d'Esch
L-2086 Luxembourg**A. CHARGES**

	Financial year	Previous financial year
1. Raw materials and consumables	601 _____	602 _____
2. Other external charges	603 <u>739.944.738,37</u>	604 <u>683.364.199,57</u>
3. Staff costs	605 <u>9.605.359,04</u>	606 <u>9.263.849,68</u>
a) Wages and salaries	607 <u>8.407.722,29</u>	608 <u>8.152.433,70</u>
b) Social security costs	609 <u>963.815,23</u>	610 <u>811.878,02</u>
c) Social security costs relating to pensions	611 <u>233.821,52</u>	612 <u>299.537,96</u>
d) Other social security costs	613 _____	614 _____
4. Value adjustments	615 <u>117.723.193,91</u>	616 <u>117.597.175,52</u>
a) on formation expenses and on tangible and intangible fixed assets	617 <u>117.723.193,91</u>	618 <u>117.597.175,52</u>
b) on elements of current assets	619 _____	620 _____
5. Other operating charges	621 <u>127.950,58</u>	622 <u>159.849,03</u>
6. Value adjustments and fair value adjustments on financial fixed assets	623 _____	624 _____
7. Value adjustments and fair value adjustments on financial current assets. Loss on disposal of transferable securities	625 _____	626 _____
8. Interest payable and similar charges	627 <u>4.039.935,42</u>	628 <u>18.363.470,82</u>
a) concerning affiliated undertakings	629 <u>4.028.908,42</u>	630 <u>18.358.876,22</u>
b) other interest payable and similar charges	631 <u>11.027,00</u>	632 <u>4.594,60</u>
9. Extraordinary charges	633 _____	634 <u>59.288.705,08</u>
10. Tax on profit or loss	635 <u>4.721.665,26</u>	636 <u>4.891.230,19</u>
11. Other taxes not included in the previous caption	637 _____	638 <u>33,16</u>
12. Profit for the financial year	639 <u>174.941.430,70</u>	640 <u>54.619.156,37</u>
TOTAL CHARGES	641 <u>1.051.104.273,28</u>	642 <u>947.547.669,42</u>

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B. INCOME

	Financial year	Previous financial year
1. Net turnover	701 <u>1.025.153.150,13</u>	702 <u>896.035.734,78</u>
2. Change in inventories of finished goods and of work and contracts in progress	703 _____	704 _____
3. Fixed assets under development	705 _____	706 _____
4. Reversal of value adjustments	707 _____	708 _____
a) on formation expenses and on tangible and intangible fixed assets	709 _____	710 _____
b) on elements of current assets	711 _____	712 _____
5. Other operating income	713 _____	714 _____
6. Income from financial fixed assets	715 <u>21.964.708,53</u>	716 <u>20.031.595,50</u>
a) derived from affiliated undertakings	717 <u>21.964.708,53</u>	718 <u>20.031.595,50</u>
b) other income from participating interests	719 _____	720 _____
7. Income from financial current assets	721 _____	722 _____
a) derived from affiliated undertakings	723 _____	724 _____
b) other income	725 _____	726 _____
8. Other interests and other financial income	727 <u>3.972.537,62</u>	728 <u>31.480.339,14</u>
a) derived from affiliated undertakings	729 _____	730 _____
b) other interest receivable and similar income	731 <u>3.972.537,62</u>	732 <u>31.480.339,14</u>
9. Extraordinary income	733 <u>13.877,00</u>	734 _____
10. Loss for the financial year	735 <u>0,00</u>	736 <u>0,00</u>
TOTAL INCOME	737 <u>1.051.104.273,28</u>	738 <u>947.547.669,42</u>

**McD Europe Franchising S.à r.l.
412 F route d'Esch
L-2086 Luxembourg**

R.C.S. Luxembourg B 22.841

Share Capital: USD 792.815,00

**Annual accounts as at 31 December 2011,
and
Independent auditor's report**



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Independent auditor's report

To the Members of
 McD Europe Franchising S.à r.l.
 412F, route d'Esch
 L-2086 Luxembourg

Report on the annual accounts

Following our appointment, we have audited the accompanying annual accounts of McD Europe Franchising S.à r.l., which comprise the balance sheet as at 31 December 2011 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Managers' responsibility for the annual accounts

The Board of Managers is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts and for such internal control as the Board of Managers determines is necessary to enable the preparation and presentation of annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the "réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgment of the "réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the "réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Managers, as well as evaluating the overall presentation of the annual accounts.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of McD Europe Franchising S.à r.l. as of 31 December 2011, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Report on other legal and regulatory requirements

The management report, which is the responsibility of the Board of Managers, is consistent with the annual accounts.

ERNST & YOUNG
Société Anonyme
Cabinet de révision agréé

A handwritten signature in dark ink, appearing to read 'Aine Hearty', written over a horizontal line.

Aine HEARTY

Luxembourg, 26 June 2012

McD Europe Franchising S.à r.l.
Société à responsabilité limitée
Notes to the annual accounts
as at December 31, 2011

NOTE 1 - GENERAL

McD Europe Franchising S.à r.l. - hereafter "the Company" - was incorporated on May 9, 1985 as a "Société à responsabilité limitée" within the definition of the Luxembourg Law of August 10, 1915, as amended, on commercial companies and for an unlimited period of time. The Extraordinary General meeting held on November 24, 2008 decided to change the name of the Company from Mc Donald's Immobilier G.m.b.H. to McD Europe Franchising S.à r.l..

The Company's registered office is established in Luxembourg.

The financial year of the Company runs from the 1st of January until the 31st of December of each year.

The object of the Company includes the holding of participations, in any form whatsoever, in any commercial, industrial, financial, or other, Luxembourg or foreign companies or enterprises; to acquire or through participations, contributions, underwriting, purchases or options, negotiation or in any other way any securities, rights, patents, trademarks, copyrights, any other franchise rights and licences, and other property, rights and interest in property as the Company shall deem fit, and generally to hold, manage, develop, sell, license or dispose of the same, in whole or in part, for such consideration as the Company may think fit, and in particular for shares or securities of any company purchasing the same; to enter into, assist or participate in financial, commercial and other transactions, and to grant to any holding company, subsidiary, affiliate or any other company associated in any way with the Company, or the said holding company, subsidiary, affiliate, or any other company in which the Company has a direct or indirect financial interest, any assistance, loans or advances; to borrow and raise money in any manner and to secure the repayment of any money borrowed.

The purpose of the Company is also the administration, purchase, sale and leasing of real estate, the provision of consultancy services in respect of the design, operations and management of restaurants of any kind, especially fast food gastronomy, both within the territory of the Grand Duchy of Luxembourg and abroad. The Company may operate restaurants of any kind, especially those belonging to the fast food gastronomy.

Furthermore, the Company may perform all commercial, technical and financial operations, connected directly or indirectly in all areas as described above in order to facilitate the accomplishment of its purposes.

In January 2, 2009, the Company established a U.S. branch with their office in Illinois, United States of America with its place of business located at McDonald's Plaza, Oak Brook, Illinois 60523, USA.

In January 29, 2009, the Company established a Swiss branch with their office in Switzerland with its place of business located at Boulevard du Théâtre 3, 1204 Geneva, Switzerland.

In February 2009 the Company entered into various agreements with its ultimate parent company Mc Donald's Corporation and affiliates whereby it acquired the rights to use, develop and/or sublease marketing and operating intangible assets developed by the McDonald's group linked to the McDonald's restaurant system within Europe. In return for this right, the Company is obliged to pay an annual fee to Mc Donald's Corporation and affiliates consisting of a royalty component and cost sharing expenses. The royalty component is calculated based on a percentage of the sales of the various European entities to which the Company has subleased the intangibles.

The Company has subleased the aforementioned intangibles to various franchisees within Europe and receives an annual franchise income which is calculated based on the annual sales of the franchisee.

In conformity with Article 316 of the Commercial Law of August 10, 1915, as amended, the Company is exempt from the obligation to establish consolidated accounts as the Company and all of its subsidiaries are consolidated in the consolidated accounts of its ultimate parent company Mc Donald's Corporation which has its registered address at One Mc Donald's Plaza, Oak Brook, Illinois.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General principles

These annual accounts have been prepared in accordance with generally accepted accounting principles and in accordance with the laws and regulations in force in the Grand-Duchy of Luxembourg.

Comparability of annual accounts as of December 31, 2011

The presentation of the annual accounts has been modified in order to conform with the implementation of the Luxembourg Standard chart of accounts when compared to the presentation used in respect of the financial year ended December 31, 2010. As a consequence and in order to assist comparability between both financial years, certain comparative figures in respect of the financial year ended December 31, 2011 have been reclassified. These reclassifications did not have any impact on the profit for the prior year.

McD Europe Franchising S.à r.l.
Société à responsabilité limitée
Notes to the annual accounts
as at December 31, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Main valuation rules

Translation of currencies

The accounts of the Company and its branches are expressed in USD.

The cost of fixed assets expressed in currencies other than USD are translated at the historical exchange rate.

Long term liabilities expressed in currencies other than USD are valued separately at the higher of the historical rate or the balance sheet exchange rate.

Current assets and current liabilities denominated in foreign currencies are translated into USD at the balance sheet exchange rate.

Income and expenses expressed in currencies other than USD are converted at the exchange rate applicable at the date of the transactions.

The resultant exchange gains and losses arising from the application of the above principles are reflected in the profit and loss account.

Intangible assets

Intangible assets are recorded at their acquisition price or at cost less accumulated amortization. The intangible assets are amortized on a straight-line basis over their estimated useful lives which is currently 5 years.

Tangible assets

Tangible assets are recorded at their acquisition cost, less depreciation. The acquisition price includes charges and expenses incurred in connection with their acquisition.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, which the Board of Managers has assessed as being 20 years for leasehold and 27 for buildings. Land is not depreciated.

Where the Company considers that land and buildings have suffered a permanent depreciation in value, a value adjustment is recorded in order to reflect this loss. These value adjustments are not maintained if the reasons for which they were made have ceased to apply.

Financial assets

Shares in affiliated undertakings are valued individually at the lower of their acquisition cost or their net realisable market value estimated by the Board of Managers. A value adjustment is recorded at the end of each year in case of any permanent diminution in value. These value adjustments are not maintained if the reasons for which they were made have ceased to apply.

Debtors

Debtors are stated at their nominal value.

A value adjustment is recorded when the estimated net realizable value is lower than the nominal value.

The net realizable value is estimated on the basis of the information available to the Board of Managers.

Creditors

Creditors are stated at their repayment value.

Dividends

Dividends receivable from affiliated undertakings are recorded as income in the year they are declared by the subsidiary.

Net turnover : Revenue recognition - Royalties

All amounts receivable from affiliated undertakings under the Master Franchise Agreements are recognised on an accrual basis over the life of the contract. The amount invoiced is dependent on a number of factors including the level of sales of the franchisee.

McD Europe Franchising S.à r.l.
Société à responsabilité limitée
Notes to the annual accounts
as at December 31, 2011

NOTE 3 - INTANGIBLE ASSETS

	2011 USD	2010 USD
Cost at the beginning of the year	584,967,680.00	655,209,975.32
Additions	—	—
Exchange difference	—	(70,242,295.32)
Cost at the end of the year	<u>584,967,680.00</u>	<u>584,967,680.00</u>
Depreciation at the beginning of the year	(224,237,611.00)	-120,121,828.51
Depreciation during the year	(116,993,535.67)	(116,993,531.89)
Correction of prior year depreciation	—	10,065,233.18
Exchange difference	—	2,812,516.22
Depreciation at the end of the year	<u>(341,231,146.67)</u>	<u>(224,237,611.00)</u>
Net book value at the end of the year	<u><u>243,736,533.33</u></u>	<u><u>360,730,069.00</u></u>

Intangible assets, acquired in February 2009 from affiliated undertakings, consist of rights to use the Mc Donald's restaurant system and related intellectual property developed in connection with McDonald's franchised restaurants in France (the "Developed Intangibles"). Under the Master Franchise Agreements contracted in February 2009 with these affiliated undertakings, the Company will pay for these Developed Intangibles in quarterly installments plus accrued interest over five years (Note 7).

NOTE 4 - TANGIBLE ASSETS

Tangible assets relate to buildings and leasehold improvements.

	2011 USD	2010 USD
Cost at the beginning of the year	16,002,326.69	18,552,528.57
Additions	1,241,038.64	544,179.59
Disposals	(7,575.46)	(7,960.95)
Adjustment to correct opening balance	—	-3,086,420.52
Cost at the end of the year	<u>17,235,789.87</u>	<u>16,002,326.69</u>
Depreciation at the beginning of the year	(5,908,397.79)	(6,423,749.96)
Depreciation during the year	(729,658.24)	(646,909.19)
Reversal during the year	43,265.85	—
Adjustment to correct opening balance	—	1,162,261.36
Depreciation at the end of the year	<u>(6,594,790.18)</u>	<u>(5,908,397.79)</u>
Net book value at the end of the year	<u><u>10,640,999.69</u></u>	<u><u>10,093,928.90</u></u>

Leased sites are depreciated over 237 months from the opening date in 1985 parallel to the terms mentioned in the lease agreement.

Owned site are depreciated over 240 or 330 months starting from the opening date.

Specific parts of the building investment (i.e. heating, ventilation and aircondition) are depreciated over 120 months.

McD Europe Franchising S.à r.l.
Société à responsabilité limitée
Notes to the annual accounts
as at December 31, 2011

NOTE 5 - FINANCIAL ASSETS

	Shares in affiliated undertakings USD
Acquisition cost at the beginning of the year	138,055,760.00
Disposals	<u>(68,760.00)</u>
Acquisition cost at the end of the year	137,987,000.00
Value adjustments at the beginning and the end of the year	<u>—</u>
Net book value as at December 31, 2011	<u>137,987,000.00</u>
Net book value as at December 31, 2010	<u>138,055,760.00</u>

The Company liquidated McDonald's Islandi ehf and realized a gain on liquidation amounting to USD 13,877.00 (see note 13).

The Company holds investments in the following companies:

Name & registered office	% held	Net book value as at December 31, 2011 USD
McDonald's European Finance Company B.V. Netherlands	40.70%	137,962,000.00
McD Europe Franchising Services S.à r.l. France	100.00%	25,000.00

The Board of Managers are in the opinion that no value adjustment has to be recorded on the investments as at December 31, 2011, considering either the market value of the investment or that the diminution in value is not permanent.

Art.65 paragraph (1) 2° of the law of December 19, 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings (the "Law") requires the disclosure of the amount of capital and reserves and profit and loss for the last financial year of each affiliated undertaking. In conformity with Art 67.(3) of the Law, these details have been omitted since the undertaking is included in consolidated accounts drawn up by the ultimate parent company and these consolidated accounts and the related consolidated annual report and auditor's report thereon have been lodged with the Luxembourg Trade Registry.

McD Europe Franchising S.à r.l.
Société à responsabilité limitée
Notes to the annual accounts
as at December 31, 2011

NOTE 6 - CAPITAL AND RESERVES

	Subscribed capital	Share premium and similar premiums	Legal reserve	Other reserves	Results brought forward	Result for the financial year
	USD	USD	USD	USD	USD	USD
Balance as at January 1, 2011	792,815.00	0.55	79,281.56	38,869.64	27,675,834.09	54,619,156.37
Allocation of the result 2010	---	---	---	---	54,619,156.37	(54,619,156.37)
Result for the financial year	---	---	---	---	---	174,941,430.70
Balance as at December 31, 2011	792,815.00	0.55	79,281.56	38,869.64	82,294,990.46	174,941,430.70

Subscribed capital

As at December 31, 2011, the subscribed and paid up capital amounting to USD 792,815,00 is represented by 792,815 shares having a nominal value of USD 1.00 each.

Legal reserve

In accordance with the Luxembourg Law of August 10, 1915, as amended, on commercial companies, the Company is required to transfer a minimum of 5% of its net profit for each financial year to a legal reserve. This requirement ceases to be necessary once the balance of the legal reserve reaches 10% of the issued share capital. The legal reserve is not available for distribution during the life of the Company.

Allocation of the results

On June 14, 2011, the sole shareholder decided to allocate the profit amounting to USD 54,619,156,37 realized during the year 2010 to the results brought forward.

NOTE 7 - NON SUBORDINATED DEBTS

	Less than 1 year	Between 1 and 5 years	Total
	USD	USD	USD
Loans owed to affiliated undertakings	148,150,942.79	257,524,516.71	405,675,459.50
Interest accrued on loans owed to affiliated undertakings	8,611,342.44	---	8,611,342.44
Intercompany cost sharing expense payable	14,101,349.19	---	14,101,349.19
Intercompany trade payable	111,874,194.76	---	111,874,194.76
Trade creditors	2,604,448.64	---	2,604,448.64
Tax debt	3,878,826.67	---	3,878,826.67
Other creditors	3,057,697.64	---	3,057,697.64
Net book value as at December 31, 2011	292,278,802.14	257,524,516.71	549,803,318.85
Net book value as at December 31, 2010	318,594,130.14	352,842,511.42	671,436,641.56

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NOTE 7 - NON SUBORDINATED DEBTS (continued)

On May 31, 2011, the Company reimbursed the loan granted by McDonald's Nederland B.V. amounting to EUR 15.000.000,00 (USD 21.664.752,81) through compensation of dividend receivable.

The Company was granted the outstanding following loans as at December 31, 2011:

Less than one year :

- a loan from McDonald's Suisse Holding SA granted on June 18, 2007 amounting to CHF 25.000.000,00 with an interest rate of 3.425% per year. The loan shall be reimbursed on June 18, 2012.

As at December 31, 2011, the outstanding balance of the loan amounts to USD 26.663.750,00 and the accrued interest to USD 4.205.947,40.

- McDonald's Restaurant Operations Inc. granted an advance unsecured, interest-free and repayable on demand amounting to USD 281.134,87 (ISK 35.452.064,00)

Between one and five years :

- a loan from McDonald's Ireland Ltd. granted on October 14, 2008 amounting to EUR 9.000.000,00 with an interest rate of 4.591% per year. The loan shall be reimbursed on October 14, 2013.

As at December 31, 2011, the outstanding balance of the loan amounts to USD 12.218.900,00 and the accrued interest to USD 117.501,84.

- a loan from McDonald's Suisse Holding SA granted on November 12, 2008 amounting to CHF 26.000.000,00 with an interest rate of 3.115% per year. The loan shall be reimbursed on November 12, 2013.

As at December 31, 2011, the outstanding balance of the loan amounts to USD 27.730.300,00 and the accrued interest to USD 2.747.360,27.

- a loan from McDonald's Suisse Holding SA granted on December 5, 2011 amounting to CHF 56.673.625,00 with an interest rate of 0,318% per year. The loan shall be reimbursed on December 5, 2014.

As at December 31, 2011, the outstanding balance of the loan amounts to USD 60.576.712,47 and the accrued interest to USD 14.416,56.

- Buy out notes payable to McDonald's France S.A. and McDonald's System of France Inc. totalling EUR 457.006.330 (refer to Note 3).

As at December 31, 2011, the outstanding balance of the Buy out notes amounts to USD 278.204.662,16, of which USD 121.206.057,92, and accrued interest of USD 1.526.116,37 are due in one year or less.

NOTE 8 - OTHER EXTERNAL CHARGES

Other external charges consist of cost sharing expenses, royalty expenses and management fees.

The royalty expenses and cost sharing expenses relate to annual payments made under the agreements outlined in Note 1.

NOTE 9 - STAFF COSTS

The average number of staff employed during the 2011 financial year is 10 (2010: 10).

NOTE 10 - EXTRAORDINARY CHARGES

As of December 31, 2011, extraordinary charges consist of:	2011 USD	2010 USD
Correction of value of intangible assets	---	57,364,545.92
Correction of value of tangible assets	---	1,924,159.16
	<u>---</u>	<u>59,288,705.08</u>

During 2009, the intangibles were incorrectly revalued on a monthly basis giving rise to an exchange gain of USD 67.429.779,10 and an overstatement of the annual depreciation charge of USD 10.065.233,18. These errors in the 2009 balance were identified and corrected in 2010. An amount of USD 57.364.545,92 has therefore being recognised in 2010 as an extraordinary charge;

During 2009, the tangible assets were incorrectly revalued at the year-end exchange rate giving rise to an exchange difference. This error in the 2009 balance was identified and corrected during 2010. An amount of USD 1.924.159,16 has therefore being recognised in 2010 to correct this error and restate the tangible assets at their original historical cost.

NOTE 11 - NET TURNOVER

Net turnover consist of royalties received or receivable under Master Franchise Agreements in connection with the sublease of rights to use the McDonald's restaurant system and related intellectual property in connection with McDonald's franchised restaurants in Europe.

As at December 31, 2011 and 2010, the net turnover consists of royalties mainly realized in Europe.

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NOTE 12 - INCOME FROM FINANCIAL FIXED ASSETS DERIVED FROM AFFILIATED UNDERTAKINGS

	2011 USD	2010 USD
Dividend received from McDonald's European Finance Company B.V.	<u>21,964,708.53</u>	<u>20,031,595.50</u>

NOTE 13 - OTHER INTEREST AND OTHER FINANCIAL INCOME

In 2011 other interest receivable and financial income mainly consist of foreign exchange amounting to USD 3.814.242,50 (2010: USD 31.480.339,14).

NOTE 14 - EXTRAORDINARY INCOME

	2011 USD	2010 USD
Liquidation gain on McDonald's Islandi ehf (see note 5)	<u>13,877.00</u>	<u>0.00</u>

NOTE 15 - TAXATION

The Company is fully taxable in Luxembourg for the head office and subject to the applicable general tax regulations.

The tax on the profit comprises :

- USD 3.187.005,00 for the US Branch income taxes,
- USD 377.017,91 (CHF 333.013,95) for the Swiss Branch income taxes,
- USD 1.157.642,35 (EUR 831.192,55) for the Luxembourg Head office income taxes.

NOTE 16 - REMUNERATION OF AUDITORS

The statutory accounts for the year ended December 31, 2011 include auditors' fees for USD 75.000,00 (EUR 56.130,00) (2010: USD 200.000,00).

NOTE 17 - ADVANCES OR CREDIT GRANTED TO THE MEMBERS OF THE ADMINISTRATIVE MANAGEMENT

No advances nor credit have been granted to the Managers during 2011 and 2010.

NOTE 18 - COMMITMENTS AND OFF BALANCE SHEET ITEMS

As mentioned in Note 1, the Company is party to various franchise agreements for a minimum of 5 years. Under these agreements the Company is required to pay royalty fees to affiliated undertakings during this period based on a percentage of sales generated by the entities to which the Company has subleased these franchises.

In addition the Company has entered into agreements with various European entities within the McDonald's group to reimburse them for any costs incurred in the ongoing development of the McDonald's restaurant system.

MCD EUROPE FRANCHISING S.À R.L.

Société à responsabilité limitée
(ci-après la "Société")

Siège social : 412F, route d'Esch
L- 2086 Luxembourg

Capital social : USD 792.815.-
R.C.S. Luxembourg : B 22.841

Conseil de gérance :

Madame Mahrukh S. HUSSAIN, gérant A
Monsieur Julian HILTON-JOHNSON, gérant A
Monsieur Guy HARLES, gérant B

Affectation du résultat :

Le bénéfice de l'exercice social de la Société clôturé au 31 décembre 2011, dont le montant s'élève à USD 174.941.430,70; sera reporté à l'exercice social suivant.